



January 26, 2001

HOUSE BILL No. 1434

DIGEST OF HB 1434 (Updated January 25, 2001 10:10 AM - DI 94)

Citations Affected: IC 36-8.

Synopsis: Pensions for law enforcement. Provides that a park ranger employed in Evansville who attended a law enforcement academy outside Indiana may become a member of the 1977 pension fund. (Current law provides that a park ranger in Evansville may become a member of the fund only if the park ranger attended the Indiana law enforcement academy.) Provides that the Lake County sheriff's department may establish a pension trust for the correctional officers in the county. Establishes a maximum monthly contribution to the pension trust of 4% of a correctional officer's average monthly wages. Allows the department to pay all or part of an employee's monthly contribution. Provides that a correctional officer who completes at least 20 years of service and is at least 55 years of age is eligible for retirement with a monthly pension. Allows a correctional officer who has at least ten but less than 20 years of service or who is at least 45 years of age with 20 years of service to retire with a reduced monthly pension. Provides formulas for calculating monthly pension and reduced monthly pension amounts. Allows the sheriff's department to establish and operate a death benefit program for the survivors of a deceased correctional officer. Allows the sheriff's department to provide disability benefits to correctional officers.

Effective: July 1, 2001.

Lawson L, Stevenson

January 11, 2001, read first time and referred to Committee on Local Government.
January 25, 2001, amended, reported — Do Pass.

HB 1434—LS 7617/DI 102+



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January 26, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1434

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 36-8-8-1 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2001]: Sec. 1. This chapter applies to:

(1) full-time police officers hired or rehired after April 30, 1977, in all municipalities, or who converted their benefits under IC 19-1-17.8-7 (repealed September 1, 1981);

(2) full-time fully paid firefighters hired or rehired after April 30, 1977, or who converted their benefits under IC 19-1-36.5-7 (repealed September 1, 1981);

(3) a police matron hired or rehired after April 30, 1977, and before July 1, 1996, who is a member of a police department in a second or third class city on March 31, 1996; and

(4) a park ranger who:

(A) completed at least the number of weeks of training at the Indiana law enforcement academy **or a comparable law enforcement academy in another state** that were required at the time the park ranger attended the Indiana law enforcement academy **or the law enforcement academy in another state**;

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(B) graduated from the Indiana law enforcement academy **or a comparable law enforcement academy in another state;**
and

(C) is employed by the parks department of a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000); except as provided by section 7 of this chapter.

SECTION 2. IC 36-8-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) Except as provided in subsections (d), (e), (f), (g), and (h):

(1) a police officer; or

(2) a firefighter;

who is less than thirty-six (36) years of age and who passes the baseline statewide physical and mental examinations required under section 19 of this chapter shall be a member of the 1977 fund and is not a member of the 1925 fund, the 1937 fund, or the 1953 fund.

(b) A police officer or firefighter with service before May 1, 1977, who is hired or rehired after April 30, 1977, may receive credit under this chapter for service as a police officer or firefighter prior to entry into the 1977 fund if the employer who rehires him chooses to contribute to the 1977 fund the amount necessary to amortize his prior service liability over a period of not more than forty (40) years, the amount and the period to be determined by the PERF board. If the employer chooses to make the contributions, the police officer or firefighter is entitled to receive credit for his prior years of service without making contributions to the 1977 fund for that prior service. In no event may a police officer or firefighter receive credit for prior years of service if the police officer or firefighter is receiving a benefit or is entitled to receive a benefit in the future from any other public pension plan with respect to the prior years of service.

(c) Except as provided in section 18 of this chapter, a police officer or firefighter is entitled to credit for all years of service after April 30, 1977, with the police or fire department of an employer covered by this chapter.

(d) A police officer or firefighter with twenty (20) years of service does not become a member of the 1977 fund and is not covered by this chapter, if he:

(1) was hired before May 1, 1977;

(2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981); and

(3) is rehired after April 30, 1977, by the same employer.

(e) A police officer or firefighter does not become a member of the

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1 1977 fund and is not covered by this chapter if he:

- 2 (1) was hired before May 1, 1977;
- 3 (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both
- 4 of which were repealed September 1, 1981);
- 5 (3) was rehired after April 30, 1977, but before February 1, 1979;
- 6 and
- 7 (4) was made, before February 1, 1979, a member of a 1925,
- 8 1937, or 1953 fund.

9 (f) A police officer or firefighter does not become a member of the
10 1977 fund and is not covered by this chapter if he:

- 11 (1) was hired by the police or fire department of a unit before May
- 12 1, 1977;
- 13 (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both
- 14 of which were repealed September 1, 1981);
- 15 (3) is rehired by the police or fire department of another unit after
- 16 December 31, 1981; and
- 17 (4) is made, by the fiscal body of the other unit after December
- 18 31, 1981, a member of a 1925, 1937, or 1953 fund of the other
- 19 unit.

20 If the police officer or firefighter is made a member of a 1925, 1937, or
21 1953 fund, he is entitled to receive credit for all his years of service,
22 including years before January 1, 1982.

23 (g) As used in this subsection, "emergency medical services" and
24 "emergency medical technician" have the meanings set forth in
25 IC 16-18-2-110 and IC 16-18-2-112. A firefighter who:

- 26 (1) is employed by a unit that is participating in the 1977 fund;
- 27 (2) was employed as an emergency medical technician by a
- 28 political subdivision wholly or partially within the department's
- 29 jurisdiction;
- 30 (3) was a member of the public employees' retirement fund during
- 31 the employment described in subdivision (2); and
- 32 (4) ceased employment with the political subdivision and was
- 33 hired by the unit's fire department due to the reorganization of
- 34 emergency medical services within the department's jurisdiction;

35 shall participate in the 1977 fund. A firefighter who participates in the
36 1977 fund under this subsection is subject to sections 18 and 21 of this
37 chapter.

38 (h) A police officer or firefighter does not become a member of the
39 1977 fund and is not covered by this chapter if the individual was
40 appointed as:

- 41 (1) a fire chief under a waiver under IC 36-8-4-6(c); or
- 42 (2) a police chief under a waiver under IC 36-8-4-6.5(c);

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1 unless the executive of the unit requests that the 1977 fund accept the
 2 individual in the 1977 fund and the individual previously was a
 3 member of the 1977 fund.

4 (i) A police matron hired or rehired after April 30, 1977, and before
 5 July 1, 1996, who is a member of a police department in a second or
 6 third class city on March 31, 1996, is a member of the 1977 fund.

7 (j) A park ranger who:

8 (1) completed at least the number of weeks of training at the
 9 Indiana law enforcement academy **or a comparable law**
 10 **enforcement academy in another state** that were required at the
 11 time the park ranger attended the Indiana law enforcement
 12 academy **or the law enforcement academy in another state;**

13 (2) graduated from the Indiana law enforcement academy **or a**
 14 **comparable law enforcement academy in another state;** and

15 (3) is employed by the parks department of a city having a
 16 population of more than one hundred twenty thousand (120,000)
 17 but less than one hundred fifty thousand (150,000);

18 is a member of the fund.

19 SECTION 3. IC 36-8-10-2 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. As used in this
 21 chapter:

22 (1) "Board" refers to the sheriff's merit board established under
 23 this chapter.

24 (2) "Correctional officer" has the meaning set forth in
 25 IC 5-10-10-1.5(1).

26 (3) "Correctional officer trust fund" means the assets of a
 27 pension trust established by a county under section 12.5 of
 28 this chapter and consists of voluntary contributions from the
 29 department, money paid from the wages of employee
 30 beneficiaries, and other payments or contributions made to
 31 the pension trust, including the income and proceeds derived
 32 from the investment of them.

33 (4) "Department" refers to the sheriff's department of a county.

34 (5) "Eligible employee" means the sheriff of a county, ~~or~~ a county
 35 police officer, **or for the purposes of sections 12.5, 14, and 15**
 36 **of this chapter, a correctional officer.**

37 (6) "Employee beneficiary" means an eligible employee who has
 38 completed an application to become an employee beneficiary and
 39 who has had the proper deductions made from his wages as
 40 required in the pension trust agreement **or the correctional**
 41 **officer trust fund agreement.**

42 (7) "Net amount paid into the trust fund from wages of an



employee beneficiary" means the amount of money actually paid in from the wages of the employee beneficiary, plus interest at the rate of three percent (3%) compounded annually and less a sum including interest at the same rate, paid from the trust fund **or the correctional officer trust fund** to the employee beneficiary or to a governmental fund for the credit or benefit of the employee beneficiary.

(8) "Pension engineers" means technical consultants qualified to supervise and assist in the establishment, maintenance, and operation of a pension trust **or a correctional officer trust fund** on an actuarially sound basis.

(9) "Trust fund" means the assets of the pension trust and consists of voluntary contributions from the department, money paid from the wages of employee beneficiaries, and other payments or contributions made to the pension trust, including the income and proceeds derived from the investment of them.

(10) "Trustee" refers to the trustee of the pension trust **or a correctional officer trust fund**, who may be one (1) or more corporate trustees or the treasurer of the county serving under bond.

SECTION 4. IC 36-8-10-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 12.5. (a) This section applies to a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).**

(b) The department of a county and a trustee may establish a correctional officer trust fund under this section for the exclusive benefit of the correctional officers of the county.

(c) The department and the trustee may establish a correctional officer trust fund as a separate fund or as an account in a trust fund established by section 12 of this chapter.

(d) The trustee shall administer the correctional officer trust fund in accordance with section 12(e), 12(f), 12(k), 12(l), 12(m), 12(n), and 12(o) of this chapter.

(e) Monthly contributions for an employee beneficiary to the correctional officer trust fund may not exceed four percent (4%) of the employee beneficiary's average monthly wages and shall be made jointly to the correctional officer trust fund:

(1) by:

(A) the department through a general appropriation provided to the department;

(B) a line item appropriation directly to the trust fund; or



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(C) both; and

(2) by an employee beneficiary through authorized monthly deductions from the employee beneficiary's salary or wages. However, the employer may pay all or a part of the contributions for the employee beneficiary.

(f) The disbursing officer of the county under IC 36-2-10-9 shall do the following:

(1) Deduct the amount of the contribution each month from the employee beneficiary's salary.

(2) Send the contribution each month to the correctional officer trust fund.

(3) Keep a proper accounting of the contributions made by each employee beneficiary to the correctional officer trust fund.

(g) If a person who is a correctional officer ceases to be an employee beneficiary due to death, disability, termination of employment with the department, retirement, or any other reason, the person, the person's beneficiary, or the person's estate is entitled to receive at least the net amount paid into the correctional officer trust fund from the officer's salary, either in a lump sum or in monthly installments not less than the pension amount to which the person is entitled.

(h) An employee beneficiary participating in a correctional officer trust fund is eligible for retirement as follows:

(1) An employee beneficiary must complete at least ten (10) years of service as a correctional officer in a county in order to qualify for a monthly pension.

(2) An employee beneficiary who has completed at least twenty (20) years of service as a correctional officer in a county and who is at least fifty-five (55) years of age may retire with a monthly pension calculated under subsection (i).

(3) An employee beneficiary who has completed at least twenty (20) years of service as a correctional officer in a county and who is at least forty-five (45) years of age may retire with a reduced monthly pension calculated under subsection (j).

(4) An employee beneficiary who has completed at least ten (10) but less than twenty (20) years of service as a correctional employee in a county may retire and receive a reduced monthly pension calculated under subsection (j) beginning on the date the employee beneficiary becomes fifty-five (55) years of age.



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(5) The sheriff may retire an employee beneficiary who is otherwise eligible for retirement if the board finds that the employee beneficiary is not physically or mentally capable of performing the duties of a correctional officer.

(i) The monthly pension for an employee beneficiary participating in a correctional officer trust fund who has completed at least twenty (20) years of service as a correctional officer in the county and who is at least fifty-five (55) years of age is determined in STEP FIVE of the following formula:

STEP ONE: Multiply:

(A) two and one-half percent (2 1/2%) of the employee beneficiary's average monthly compensation during the highest paid five (5) years of service; by

(B) twenty (20).

STEP TWO: Add one dollar (\$1) to the product of STEP ONE.

STEP THREE: If an employee beneficiary's years of service exceed twenty (20), subtract:

(A) the employee beneficiary's number of years of service; from

(B) twenty (20).

STEP FOUR: Multiply:

(A) two percent (2%) of the employee beneficiary's average monthly compensation during the highest paid five (5) years of service; by

(B) the lesser of:

(i) the remainder determined in STEP THREE; or

(ii) twelve (12).

STEP FIVE: Add to the product determined in STEP FOUR the sum determined in STEP TWO.

(j) The reduced monthly pension for an employee beneficiary participating in a correctional officer trust fund is determined by reducing the monthly pension calculated in subsection (i) by:

(1) five percent (5%) for each full or partial year an employee beneficiary's age is less than fifty-five (55) years of age on the date the employee beneficiary retires under subsection (h)(3); or

(2) five percent (5%) for each full or partial year the employee beneficiary's years of service are less than twenty (20) years on the date the employee beneficiary retires under subsection (h)(4).

(k) The monthly pension payable to an employee beneficiary

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1 may not be reduced below the amount of the first full monthly
2 pension received by that employee beneficiary.

3 (l) The department of a county that withdraws from the public
4 employees' retirement fund and establishes a correctional officer
5 trust fund under this chapter shall comply with IC 5-10.3-6-8 in
6 withdrawing from the public employees' retirement fund.

7 (m) A correctional officer who is a member of the public
8 employees' retirement fund on the date the county withdraws from
9 the fund shall be entitled to service credits and benefits from the
10 public employees' retirement fund in accordance with
11 IC 5-10.3-6-8.

12 (n) A correctional officer who completes service as a
13 correctional officer for a county after the date the county
14 withdraws from the public employees' retirement fund becomes an
15 employee beneficiary of the correctional officer trust fund
16 established by a county under this section and is entitled to service
17 credits and benefits in accordance with this section.

18 (o) The department may establish and operate a death benefit
19 program for the survivors of a deceased employee beneficiary,
20 subject to section 14 of this chapter.

21 (p) The department may provide to an employee beneficiary
22 disability benefits subject to the maximum amount provided in
23 section 15(b) of this chapter until the earliest of the following dates:

- 24 (1) The date the employee beneficiary dies.
- 25 (2) The date the employee beneficiary is able to resume the
- 26 employee beneficiary's duties as a correctional officer.
- 27 (3) The date the employee beneficiary qualifies for a monthly
- 28 pension under this chapter.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1434, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 36-8-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. This chapter applies to:

- (1) full-time police officers hired or rehired after April 30, 1977, in all municipalities, or who converted their benefits under IC 19-1-17.8-7 (repealed September 1, 1981);
- (2) full-time fully paid firefighters hired or rehired after April 30, 1977, or who converted their benefits under IC 19-1-36.5-7 (repealed September 1, 1981);
- (3) a police matron hired or rehired after April 30, 1977, and before July 1, 1996, who is a member of a police department in a second or third class city on March 31, 1996; and
- (4) a park ranger who:
 - (A) completed at least the number of weeks of training at the Indiana law enforcement academy **or a comparable law enforcement academy in another state** that were required at the time the park ranger attended the Indiana law enforcement academy **or the law enforcement academy in another state**;
 - (B) graduated from the Indiana law enforcement academy **or a comparable law enforcement academy in another state**; and
 - (C) is employed by the parks department of a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

except as provided by section 7 of this chapter.

SECTION 2. IC 36-8-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) Except as provided in subsections (d), (e), (f), (g), and (h):

- (1) a police officer; or
- (2) a firefighter;

who is less than thirty-six (36) years of age and who passes the baseline statewide physical and mental examinations required under section 19 of this chapter shall be a member of the 1977 fund and is not a member of the 1925 fund, the 1937 fund, or the 1953 fund.

- (b) A police officer or firefighter with service before May 1, 1977,

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who is hired or rehired after April 30, 1977, may receive credit under this chapter for service as a police officer or firefighter prior to entry into the 1977 fund if the employer who rehires him chooses to contribute to the 1977 fund the amount necessary to amortize his prior service liability over a period of not more than forty (40) years, the amount and the period to be determined by the PERF board. If the employer chooses to make the contributions, the police officer or firefighter is entitled to receive credit for his prior years of service without making contributions to the 1977 fund for that prior service. In no event may a police officer or firefighter receive credit for prior years of service if the police officer or firefighter is receiving a benefit or is entitled to receive a benefit in the future from any other public pension plan with respect to the prior years of service.

(c) Except as provided in section 18 of this chapter, a police officer or firefighter is entitled to credit for all years of service after April 30, 1977, with the police or fire department of an employer covered by this chapter.

(d) A police officer or firefighter with twenty (20) years of service does not become a member of the 1977 fund and is not covered by this chapter, if he:

- (1) was hired before May 1, 1977;
- (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981); and
- (3) is rehired after April 30, 1977, by the same employer.

(e) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if he:

- (1) was hired before May 1, 1977;
- (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981);
- (3) was rehired after April 30, 1977, but before February 1, 1979; and
- (4) was made, before February 1, 1979, a member of a 1925, 1937, or 1953 fund.

(f) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if he:

- (1) was hired by the police or fire department of a unit before May 1, 1977;
- (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981);
- (3) is rehired by the police or fire department of another unit after December 31, 1981; and
- (4) is made, by the fiscal body of the other unit after December

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31, 1981, a member of a 1925, 1937, or 1953 fund of the other unit.

If the police officer or firefighter is made a member of a 1925, 1937, or 1953 fund, he is entitled to receive credit for all his years of service, including years before January 1, 1982.

(g) As used in this subsection, "emergency medical services" and "emergency medical technician" have the meanings set forth in IC 16-18-2-110 and IC 16-18-2-112. A firefighter who:

- (1) is employed by a unit that is participating in the 1977 fund;
 - (2) was employed as an emergency medical technician by a political subdivision wholly or partially within the department's jurisdiction;
 - (3) was a member of the public employees' retirement fund during the employment described in subdivision (2); and
 - (4) ceased employment with the political subdivision and was hired by the unit's fire department due to the reorganization of emergency medical services within the department's jurisdiction;
- shall participate in the 1977 fund. A firefighter who participates in the 1977 fund under this subsection is subject to sections 18 and 21 of this chapter.

(h) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if the individual was appointed as:

- (1) a fire chief under a waiver under IC 36-8-4-6(c); or
- (2) a police chief under a waiver under IC 36-8-4-6.5(c);

unless the executive of the unit requests that the 1977 fund accept the individual in the 1977 fund and the individual previously was a member of the 1977 fund.

(i) A police matron hired or rehired after April 30, 1977, and before July 1, 1996, who is a member of a police department in a second or third class city on March 31, 1996, is a member of the 1977 fund.

(j) A park ranger who:

- (1) completed at least the number of weeks of training at the Indiana law enforcement academy **or a comparable law enforcement academy in another state** that were required at the time the park ranger attended the Indiana law enforcement academy **or the law enforcement academy in another state;**
- (2) graduated from the Indiana law enforcement academy **or a comparable law enforcement academy in another state;** and
- (3) is employed by the parks department of a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);



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is a member of the fund."

Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to HB 1434 as introduced.)

STEVENSON, Chair

Committee Vote: yeas 12, nays 0.

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